

Dollars & Sense

The Income and Wages of Utah Women

"The needle and the midnight candle are yet considered by too many, the proper appliances of woman's sphere. Custom also says that if a woman does as much work as a man, and does it well, she must not receive equal pay for it, and therein a wrong is inflicted upon her by the deprivation of a right to which she is justly entitled."

Eliza R. Snow
Prominent Pioneer and
Utah Author, 1872

Talking about women's wages—it's a complex proposition. Especially when asking for that one piece of information that we really want to know—how do they compare to men's wages?

Traditionally, economists refer to the wage gap as the difference between the wages of the average male and the average female. Typically, a female-to-male ratio is established. Just divide the average female wage by the average male wage.

Nationally, there exists a fairly large number of wage data series. Coming up with a definitive "wage gap" figure is problematic. Basically, they measure things slightly differently and so come up with different results. Truth is, the male/female wage gap is determined by which data series you choose to use. The hardest question is "What series should we use?"

For Utah, until recently, a decent wage gap figure was only available once every ten years when the Census was published. Currently, there are several data sources for Utah's wage gap. Again, which series to use?

Utah Median Earnings of Year-Round, Full-time Workers, 1999



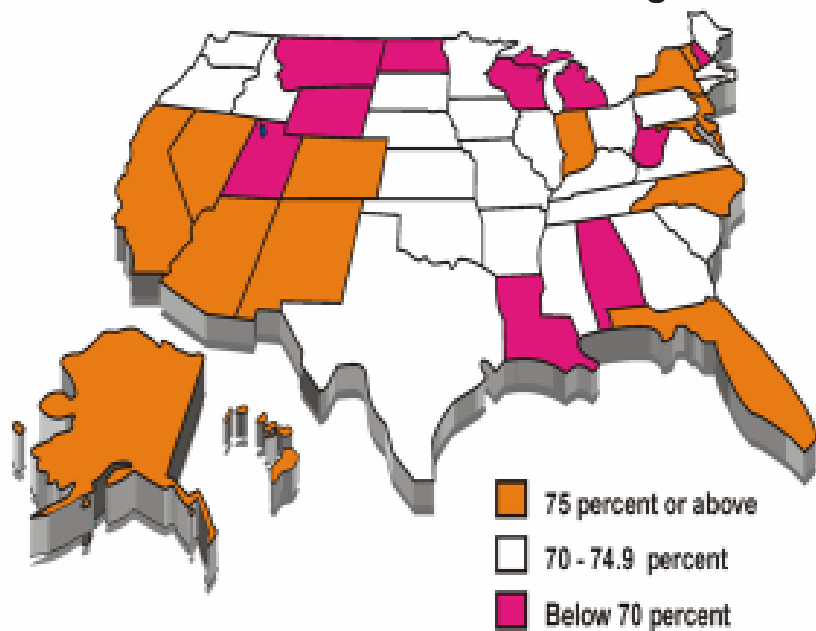
Source: U.S. Census Bureau.

There are so many data series with so many different figures; it's enough to make even a data queen's head spin. For example, for Utah, you can come up with wage gap figures ranging from 57 percent to 75 percent—for the same year!

Census Rules

Because of its sheer size, the decennial Census provides some of the best earnings figures, and is therefore able to show the best detail. Let's start here. Census 2000 figures for Utah show the median earnings for year-round, full-time male workers at \$36,935. The comparable figure for female workers measures \$24,872. In other words, the wage gap measured 67 percent.

Women's 2000 Median Earnings as a Percent of Men's Median Earnings



Source: U.S. Census Bureau.

You'll notice that we used data for year-round, full-time workers. So, seasonal workers and those who work part-time are excluded. It's best when making wage gap comparisons to keep the working characteristics of the two groups as equal as possible. In this way, we make sure we're comparing apples and apples—not apples and oranges.

Trailing the Pack

Nationally, Census 2000 shows a male/female wage gap of 73 percent. That places the U.S. near the middle of a state-by-state ranking. Yes, that means that Utah (where women make 67 cents on the male dollar) shows

one of the largest wage gaps in the nation. In fact, Utah ranked fourth from the bottom—higher than only Michigan, Louisiana, and Wyoming.

Of course, Utah has made some progress. In the 1990 Census, it showed the **largest** wage gap in the United States.

Interestingly, with the exception of Wyoming, Utah is pretty much surrounded by states with smaller-than-average male/female wage gaps. California, Nevada, Arizona, New Mexico, and Colorado show male/female earnings ratios of 75 percent or higher.

The Good News

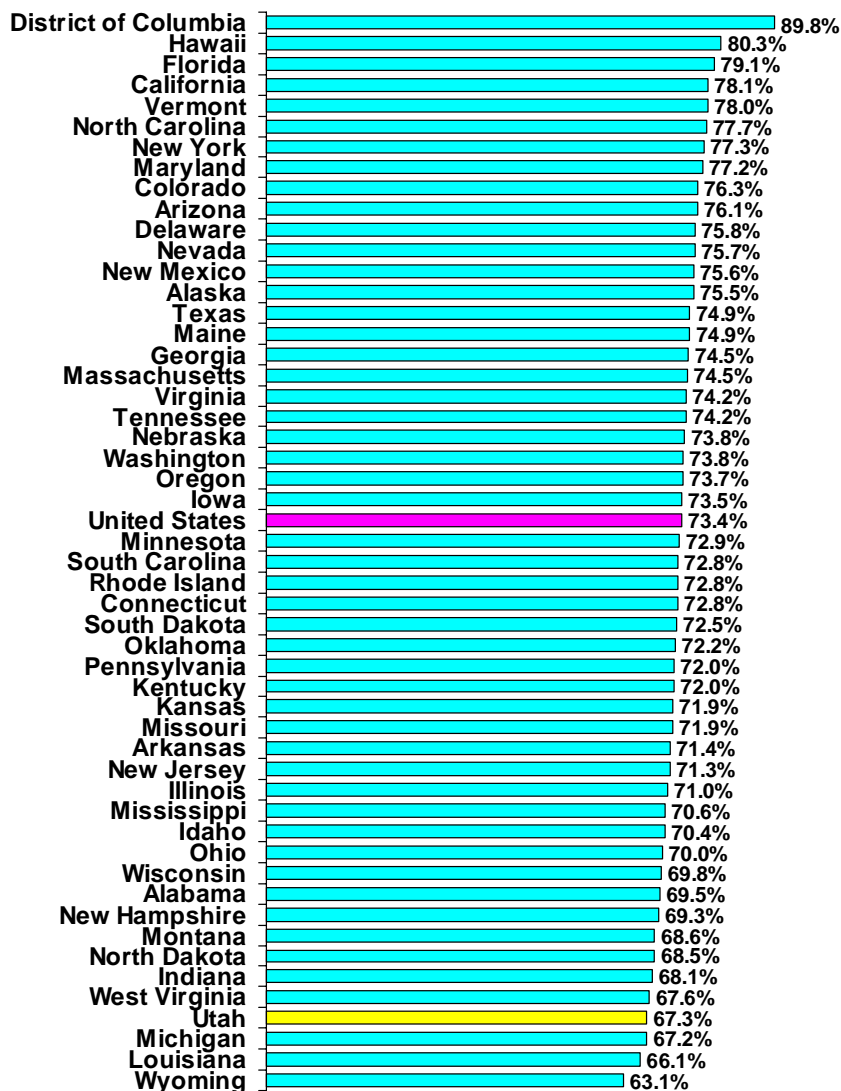
The good news for women and their families? The wage gap is now narrowing. For the 30 years following 1950—a period when women made

Utah Female Median Annual Earnings As a Percent of Male Median Annual Earnings, 1999



Source: U.S. Census Bureau.

Female Median Annual Earnings as a Percent of Men's Full-Time, Year-Round Workers, 1999



Source: U.S. Census Bureau.

gains in the “high paying” professions—very little changed. Data published by the U.S. Bureau of Labor Statistics show that before the early 80s, the U.S. male/female earnings ratio for full-time workers hovered around 60 percent. There was virtually no significant narrowing in the wage gap—until 1980.

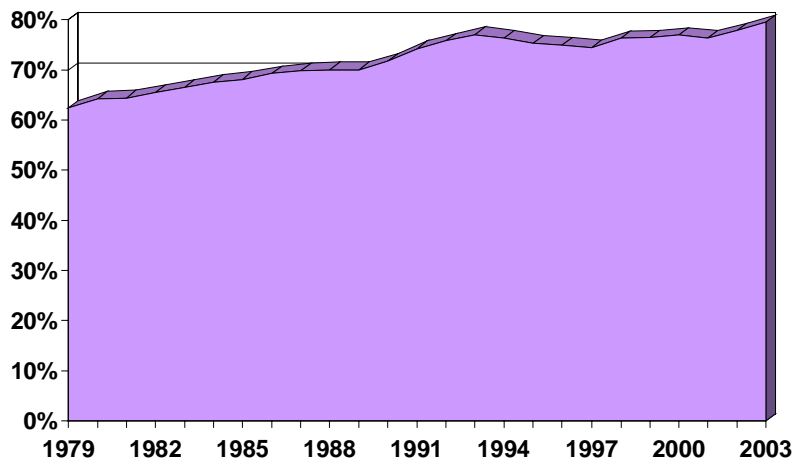
In the last 20-plus years, the wage gap has slowly narrowed. According to a Bureau of Labor Statistics data series, in 1979, the ratio of female-to-male weekly earnings ratio measured about 63 percent. By 2003, the comparable figure registered almost 80 percent. Yes, the gap is narrowing.

What about in Utah? Using 1980, 1990 and 2000 Census figures, we find that the female/male earnings ratio grew from about 53 percent in 1980 to 57 percent in 1990 to 67 percent in 2000. Yes, here in Utah, women are making earnings gains.

A Side Road

You might have noticed in the above over-time comparisons, the U.S. Bureau of Labor Statistics ratio is much, much, higher than the Utah Census figures. It's that old “different data series” thing. Part of the reason for the difference in these two data series arises because one series (the Census) uses *annual* earnings; the other series (the Bureau of Labor Statistics) uses *weekly* earnings. Typically, the smaller the time frame (annual versus weekly) the smaller the

U.S. Female Median Weekly Earnings as a Percent of Men's, Full-Time Workers



Source: U.S. Bureau of Labor Statistics.

wage gap. This occurs because women typically work fewer hours/days than men—even when they work full-time.

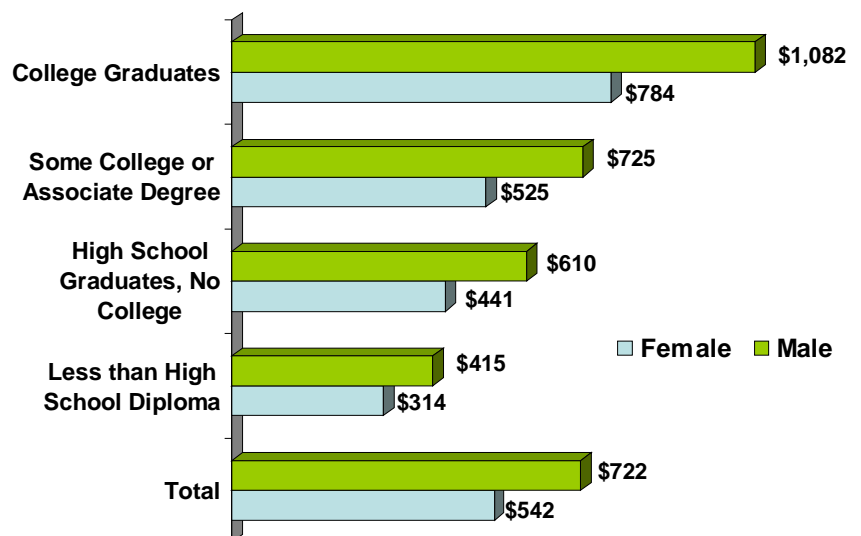
While the Bureau of Labor Statistics publishes comparable wage gap figures for Utah, the series fluctuates dramatically. This is due to the relatively small size for this particular survey. The most recent wage gap figures from the Census Bureau's American Community Survey are more reliable and show Utah with a male/female wage ratio (for year-round, full-time workers of 68 percent—third from the bottom in a ranking of U.S. states. (See chart.)

Best-Paying Jobs

After perusing Census 2000 data, it becomes obvious that the best-paying jobs for men are also generally the best-paying jobs for women. Physicians, dentists, air traffic controllers, chief executives, lawyers, engineering managers, optometrists, and pharmacists are among the highest-paid positions for both men and women.

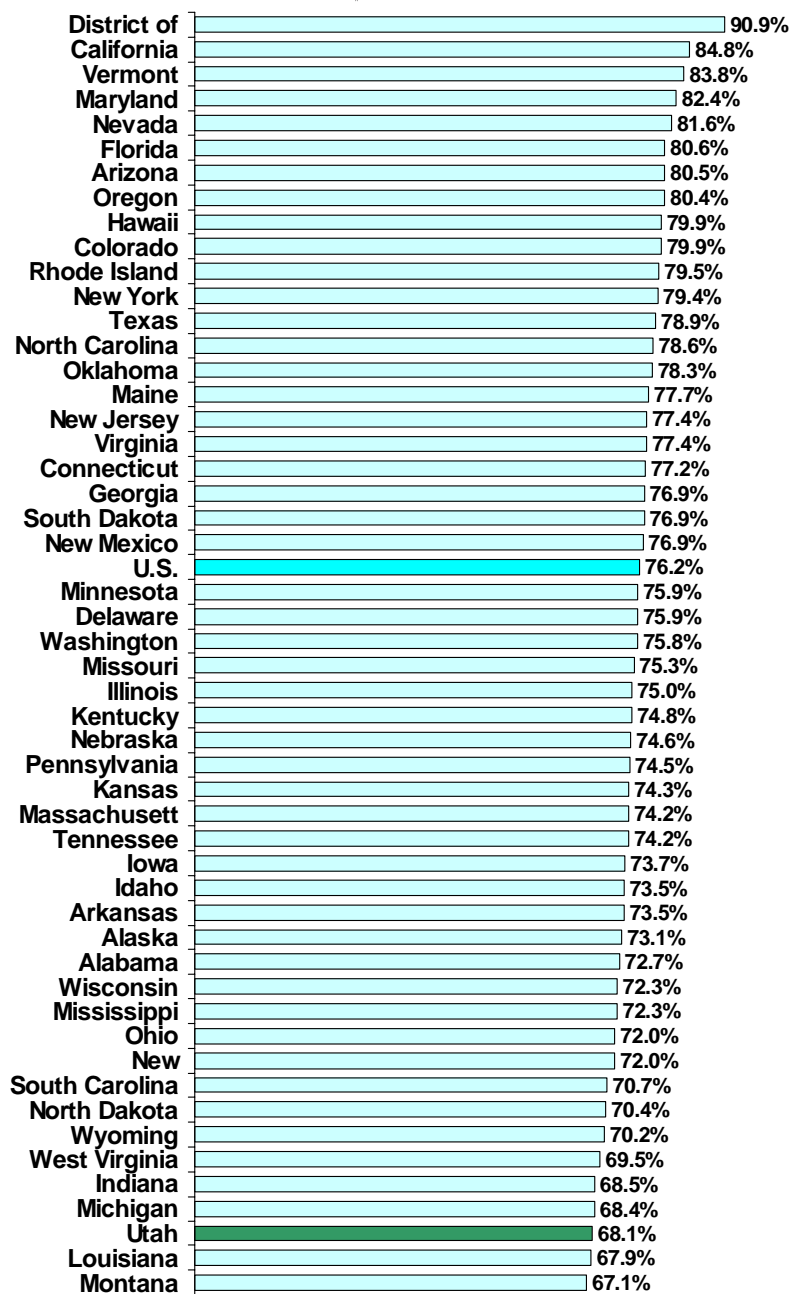
However, you just might notice that these jobs are typically dominated by men. For example, in Utah, physicians and surgeons are only 17 percent female, dentists are only 3 percent female, air traffic controllers are 15 percent female, chief executives are 13 percent female, engineering managers are 8 percent female, optom-

2001 U.S. Average Weekly Earnings by Educational Level, for Full-Time workers



Source: U.S. Bureau of Labor Statistics.

Female Median Weekly Earnings as a Percent of Men's Earnings Full-Time Workers, 2004



etrists are 20 percent female, and lawyers are 18 percent female. Of these high paying occupations only one—pharmacists (with 36 percent female)—has more than a one-fifth share of positions held by women.

Interestingly, in these occupations women typically make more than 80 percent of the median wage of their male counterparts. In other words, the wage gap is smaller than average for these occupations. Of course, the wage gap often shrinks when individual occupations are examined. As we'll explain later, occupational choice is the primary reason for the male/female wage gap.

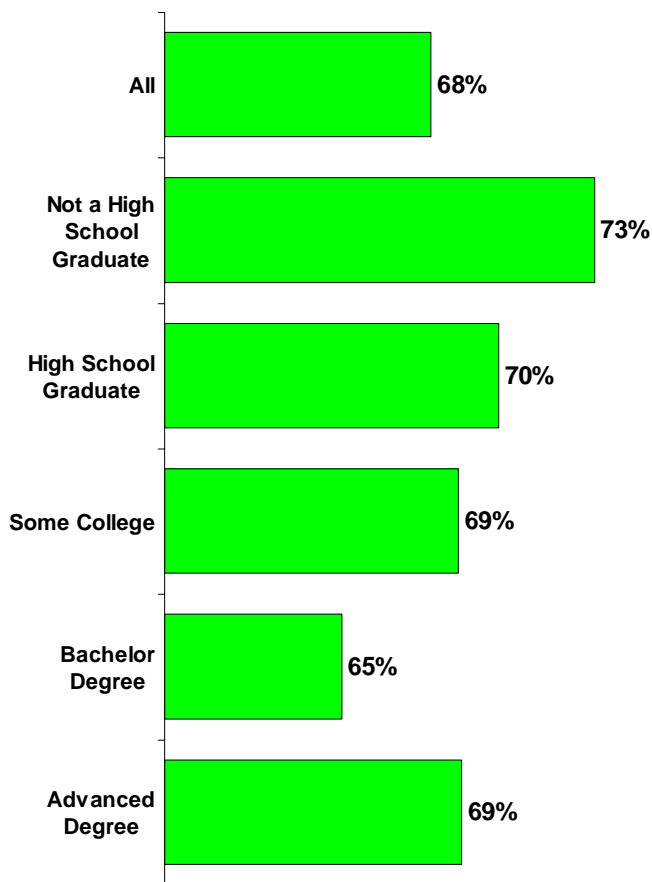
Learning to Earn

How does the wage gap between men and women stack up by educational level in Utah? Contrary to what one might suppose, increased education does not necessarily shrink the wage gap. The largest wage gap occurs for men and women with Bachelor's degrees. On average, women with a Bachelor's degree made 65 percent of the median wage for men with a Bachelor's degree.

How can this be? Doesn't continuing one's education increase one's earning power? It certainly does—and particularly for women. Census data tells us that a Utah woman with a Bachelor's degree made \$10,000 more a year than one with only a high school degree. Once again, occupational choice enters the picture. Even college-

Source: American Community Survey, U.S. Census Bureau.

Utah Female/Male Wage Ratio by Education Year-Round, Full-Time Workers, 1999



Source: U.S. Census Bureau.

educated women tend to choose majors/careers in lower-paying fields traditionally held by women.

National 2004 data from the Bureau of Labor Statistics shows that a college-educated woman makes **60 percent more** than her “high school-only” educated sister. For men, a college education increases wages by only 22 percent.

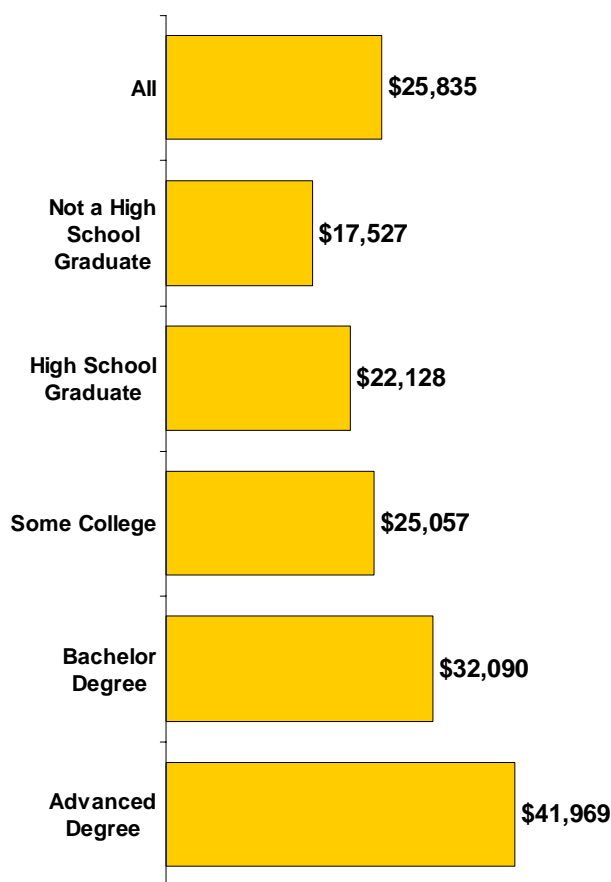
The smallest wage gap occurs for men and women without even a high school education. Of course, women who work year-round, full-time who don’t have a high school education made only \$17,500—slightly more than half the earnings of a Utah woman with a Bachelor’s degree. Obviously, it still pays to increase one’s education—particularly in those fields traditionally held by men.

Jobs with the Smallest Wage Gap

If you’re a Utah woman and want a job in Utah where you’re most likely to make as much as your male co-worker, what occupation should you choose? According to Census 2000 figures, choose a technical/science/math-related position or one that’s typically dominated by men. There are almost 60 occupations in Utah where the average woman makes 95 percent or more of the average man’s wage.

Many of these positions are in science, healthcare, and engineering fields (which also pay extremely well) and require at least a Bachelor’s degree. Others are technically-oriented, requir-

Utah Female Median Annual Earnings by Education Year-Round, Full-Time Workers, 1999



Source: U.S. Census Bureau.

ing some post-high school training. Others require only on-the-job training, but are occupations traditionally held by men.

Jobs with the Largest Wage Gap

Drilling down to the occupational level doesn't always narrow the wage gap. In some Utah occupations, the male/female wage gap is extraordinarily large. For instance, in Utah, Census 2000 reports that the average female model/demonstrator (working year-round/full-time) made only 15 percent of the average male model demonstrator.

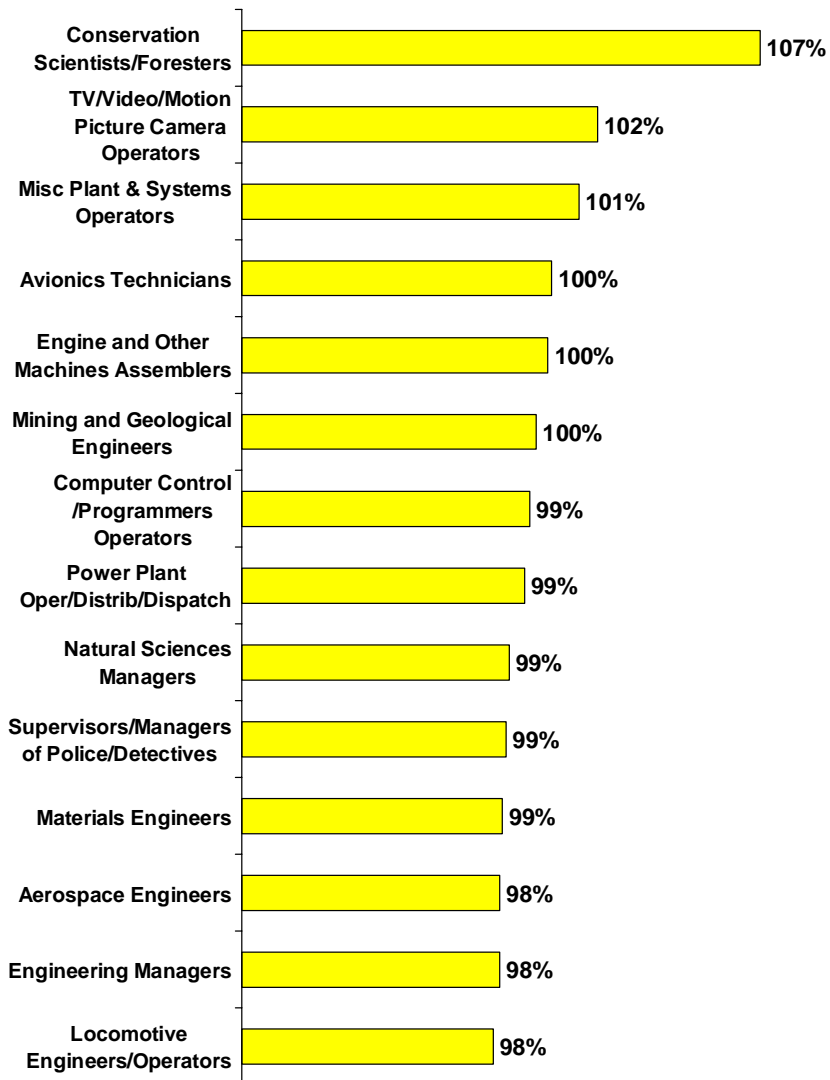
However, that occupation is an outlier. Where the wage gap is largest, the ratio of women's median annual earnings to men's median annual earnings measures about 35 percent.

In contrast to low wage gap occupations, many of these professions are low-skilled and/or dominated by women. For example, child care workers, teacher assistants, hosts/hostesses, dining room attendants, door-to-door sales, and library clerical assistants are included in this group.

Sometimes, It Pays to be Young

Does age make a difference when it comes to the wage gap? Yes, in fact, the younger the age, the smaller the wage gap. Data from the Bureau of Labor Statistics for the U.S. makes it obvious that the wage gap increases with age.

Utah Occupations with a High Female/ Male Wage Ratio, Year-Round, Full-Time Workers, 1999



Source: U.S. Census Bureau.

Young women between the ages of 16 and 24 make roughly 94 percent of the average weekly wage of their male counterparts. Of course, a young woman's labor force experience is more likely to match that of the typical young man. Moreover, younger women are getting more education and many have not yet become mothers—an-other life event that affects labor market participation.

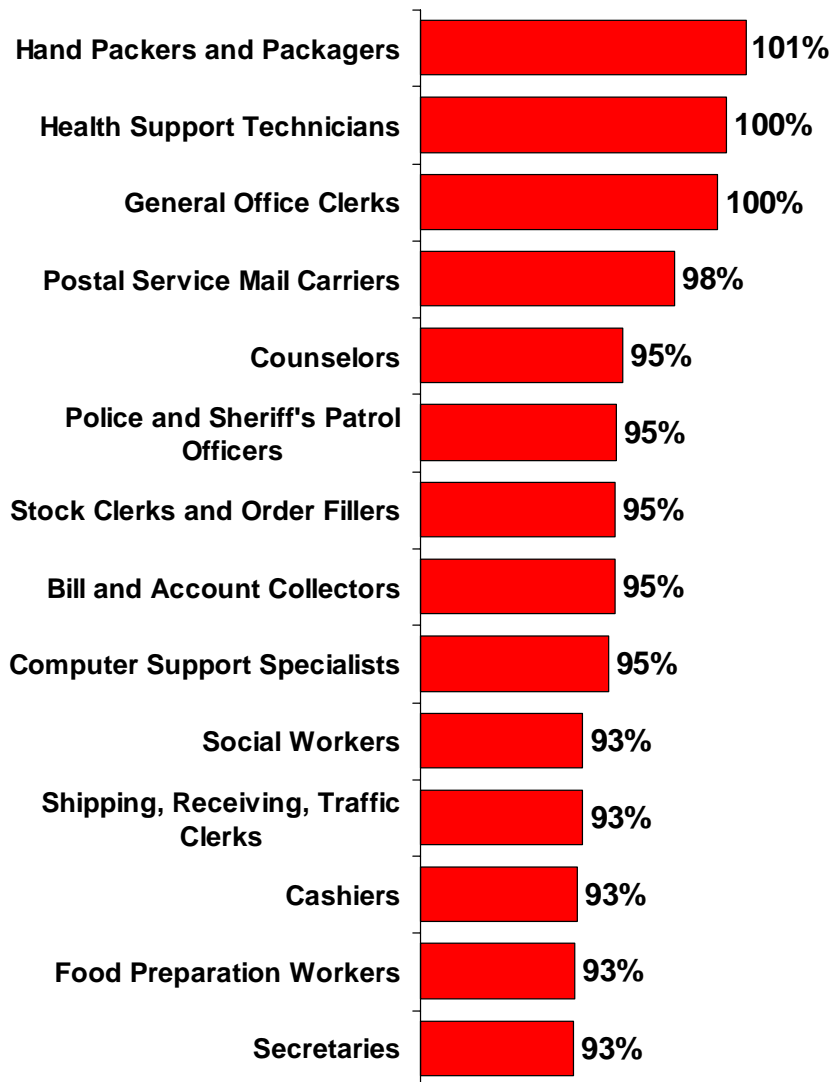
Sometimes as folks age, certain parts of their bodies start to sag; so, too does the wage gap. Nationally, the largest wage gap occurs for women between the ages of 55 and 64. They typically make only 72 percent of their male counterparts' wage. Of course, these are the women who are least likely to have a labor market experience similar to their male counterparts.

The Rainbow Connection

Race and ethnicity make a difference when it comes to the wage gap. Census 2000 data indicates that white men and women in Utah have the largest wage discrepancy. The median wage for year-round, full-time white women workers measures only 66 percent of the comparable figure for white men.

On the other hand, Hispanics show the smallest wage gap. The average female Hispanic worker makes 85 percent of the average male Hispanic worker's wages. In fact, every non-white ethnic or racial minority group shows a smaller wage gap than does the white, non-Hispanic group.

U.S. Occupations with a High Female/Male Wage Ratio, Full-Time Workers, 2003



Source: U.S. Bureau of Labor Statistics.

This makes sense. In general, minority male wages fall noticeably behind white male wages. In other words, many minority workers make lower-than-average wages—regardless of gender. For example, the median annual wage for a white, full-time, year-round male worker measured \$38,100 in 1999 compared to \$23,600 for the average male Hispanic worker.

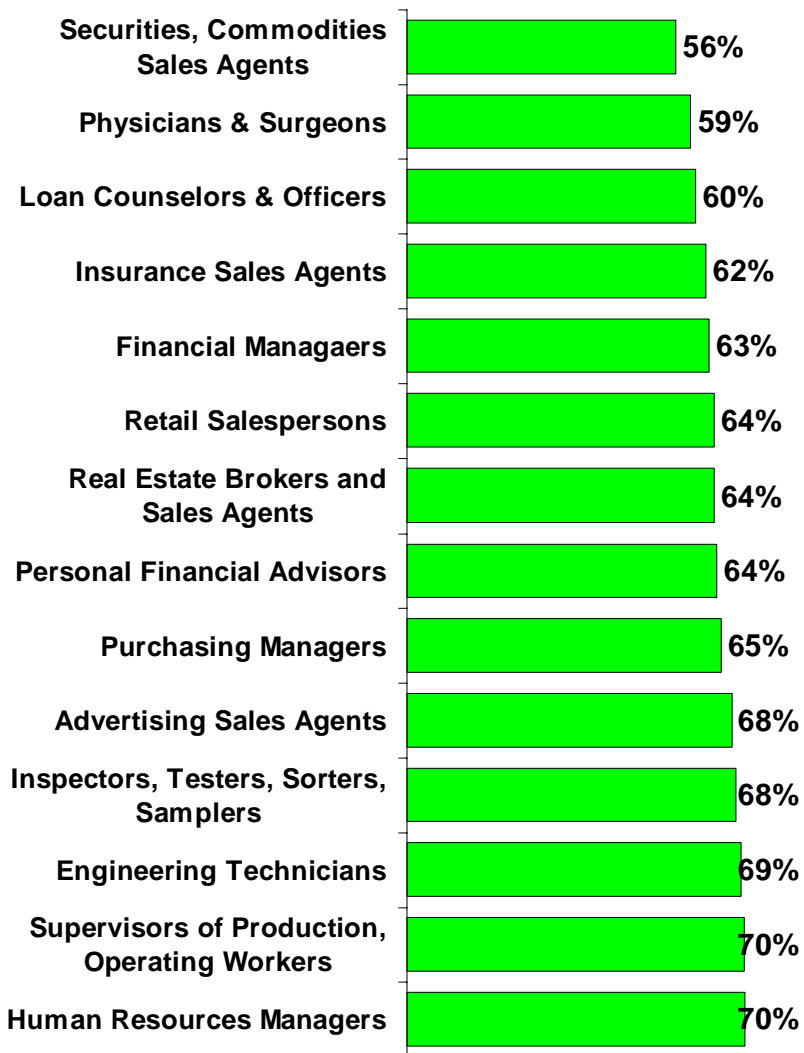
What's Going On?

Okay, in general, men make more than women. Why? After observing some of the figures here you want to precipitously jump to the conclusion that women are discriminated against in the workplace. Don't jump. Remember that many factors determine a person's wage—age, education, profession, experience, time on the job. The discrepancy in male and female wages does not automatically imply discrimination.

Occupational Choice

Much of the difference in men's and women's wages occurs because of occupational choice. Women tend to choose employment—for whatever reason (and we've covered a number of them in the previous section)—that is lower paying. This may be one reason that Utah shows a larger-than-average wage gap. Fewer Utah women have moved into male-dominated occupations than in the nation as a whole.

U.S. Occupations with a Low Female/ Male Wage Ratio, Full-Time Workers, 2003



Source: U.S. Bureau of Labor Statistics.

Some may argue that traditional female jobs pay less just because the market discriminates against those jobs. However, this does not remove the fact that women choose them regardless of their low pay. We've seen right here that in many occupations that are dominated by men—requiring technical/science/math/analytical skills—the wage gap often almost disappears.

In fact, the general rule of thumb for women and wages? The more nontraditional the job, the higher the pay for a woman. There are two exceptions to this rule—nurses and dental hygienists.

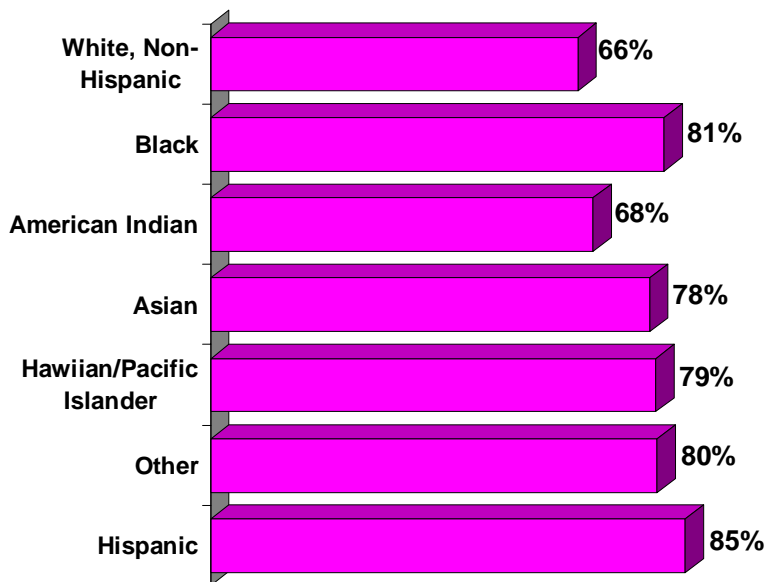
Studies suggest that even for college-educated professionals, choice of occupation accounts for 30-70 percent of the entire wage gap.

Other Factors

Other factors influence the wage gap. The labor force experience of women may differ substantially from that of men as women strive to combine home and family responsibilities. Many women move in and out of the workforce choosing to remain at home while their children are young.

Because, in general, women are newer to the labor force than men, they tend to have spent less time in a particular job. Economists call this "occupational tenure." In addition, because the share of women in the labor force keeps increasing, more women are at the bottom of the career

Utah Female Median Weekly Earnings as a Percent of Men's, Full-time, Year-Round Workers, 1999



Source: U.S. Census Bureau.

young women still become pregnant early, marry early or not at all, or divorce with inadequate support for their children. Most of these women have few job skills, little education and no male support. They may have addiction problems. They are often relegated to the lowest-paying jobs in the economy. This significant group of women may pull down the average for all women.

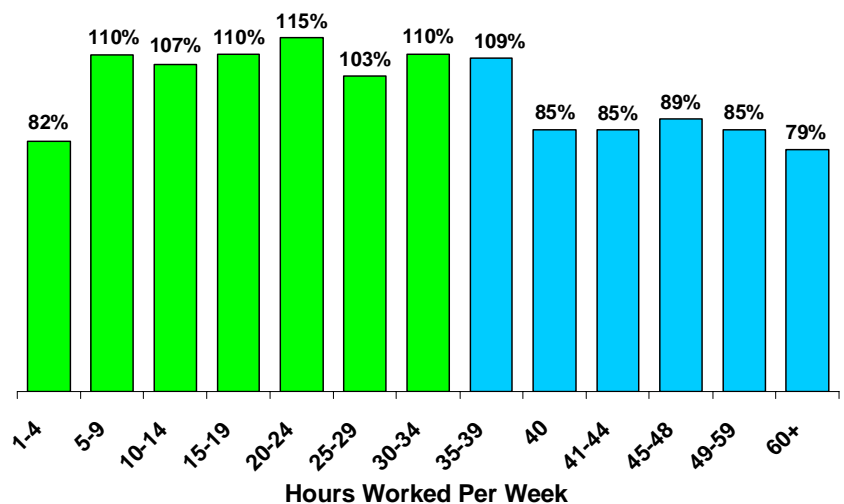
Another factor? Women do not seem to advance as quickly as men. We've probably all heard of the "mommy track" where women are sidelined from promotions because of a perceived difference by employers. You may have also heard of the "glass ceiling." Employers, for various rea-

ladder than are men. In other words, recent female entrants may depress the average wage.

Women's educational attainment falls below men's thus limiting their earning power. Moreover, women remain disproportionately illiterate in mathematics, science, and engineering—the highest paying positions.

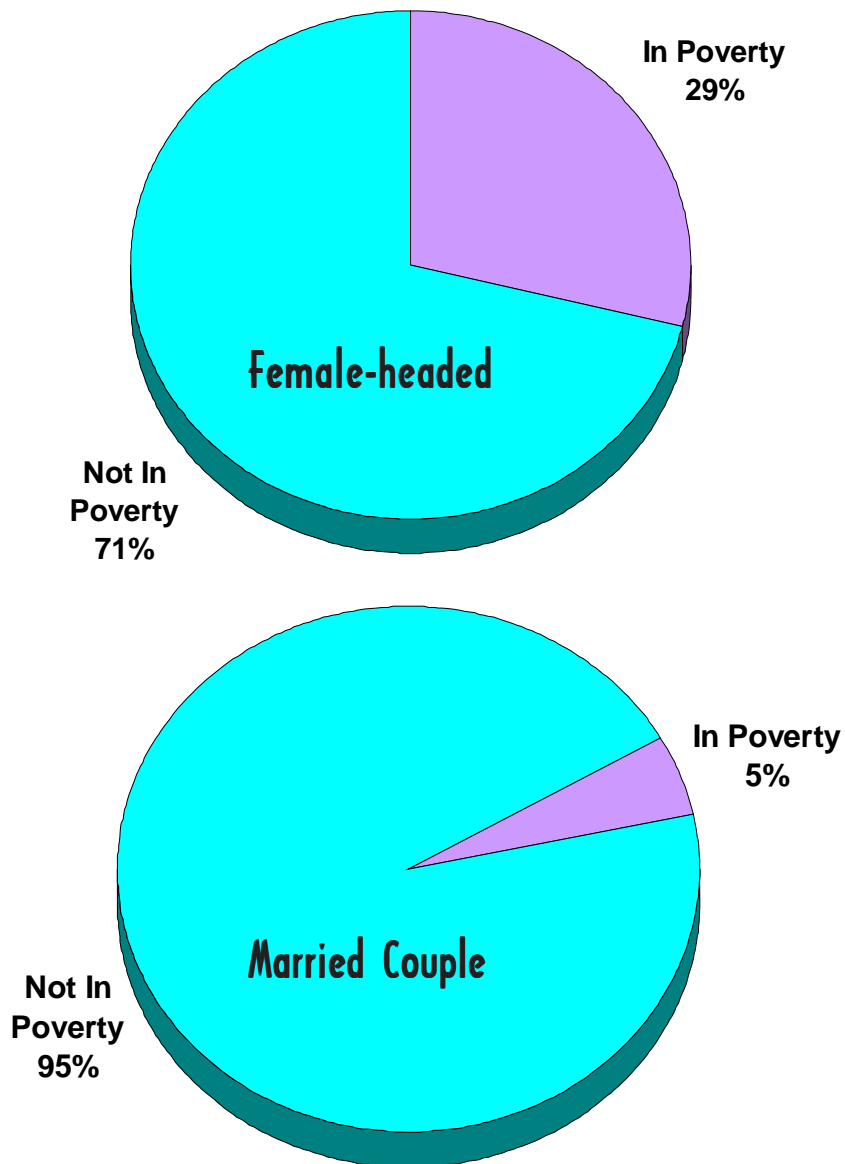
Certain groups of women may pull down the average female wage. While many women are delaying marriage/childbirth and obtaining a better education than their predecessors, others are not. Significant numbers of very

U.S. Female Median Weekly Earnings as a Percent of Men's, by Hours Worked 2003



Source: U.S. Bureau of Labor Statistics.

Poverty Status of Utah Households with Children Under 18, 2000



Source: U.S. Census Bureau.

sons, seem reluctant to advance women to the top echelons of corporate power.

What's left?

However, after explaining away all the demographic characteristics and choices that make men's and women's labor force experience different, there's still some of that old wage gap left. While studies disagree on the level, one consistent finding does emerge from the literature: no analysis can completely account for the entire female/male wage gap. Researchers have estimated that 60 to 70 percent of the difference is attributable to the differences noted above. The remaining share could not be attributed to factors other than gender.

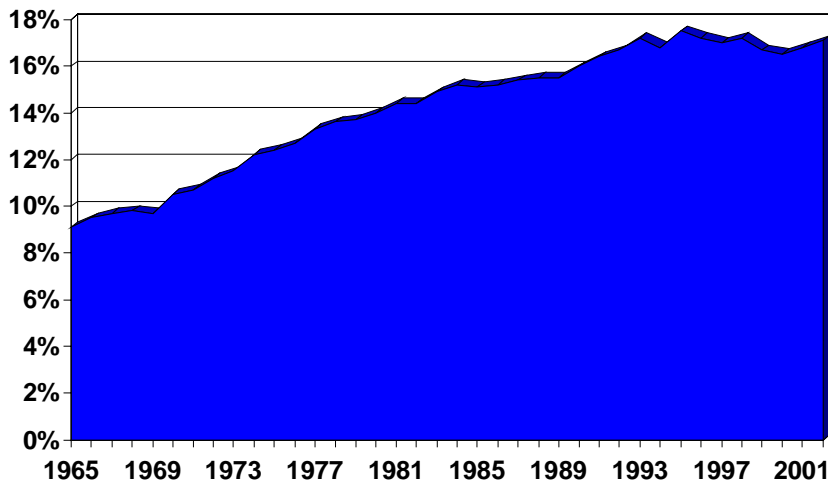
In other words, a large portion of the gap remains unexplainable and may indeed reflect some institutionalized discrimination against women in the workplace.

Lower Wages Hurt

Lower wages impact our society and economy. In 1999, according to Census figures, almost 30 percent of Utah female-headed families with children had incomes below the poverty line. In comparison, only 5 percent of married-couple families with children and 14 percent for single male-headed families were in poverty.

Despite lower-than-average wages, Utah manages to consistently experience a lower-than-average poverty rate. For example, the U.S. poverty rate from Census 2000 for female-

U.S. Female Families in Poverty as a Percentage of All Families in Poverty



Source: U.S. Census Bureau.

headed families with children measured 35 percent to Utah's 29 percent. Nevertheless, poverty in Utah's female-headed households remains significant—putting a drain on government resources.

In addition, over time, women-headed families are making up a larger and larger share of all families in poverty. Back in 1965, U.S. female-headed families accounted for only 9 percent of total families in poverty. By 2002, they constituted 17 percent of families in poverty.

Whether through divorce, desertion, death, or remaining single, more than 85 percent of American women can expect to have to support themselves and/or their children at some time in their lives. If these women are improperly prepared for the labor force, they may find themselves in the ranks of the poor.